

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 00240 131617Z
ACTION NEA-10

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 ISO-00 ERDA-05
AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07
FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05
OMB-01 PM-04 USIA-06 OES-06 SP-02 SS-15 STR-04
TRSE-00 ACDA-07 /130 W
-----131620Z 031498 /46

P R 131547Z JAN 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC PRIORITY 7049
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY BONN
USMISSION EC BRUSSELS
AMEMBASSY CARACAS
AMEMBASSY DOHA
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY PARIS
USMISSION OECD PARIS UNN
AMEMBASSY QUITO
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA

C O N F I D E N T I A L KUWAIT 0240

E.O. 11652: GDS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 00240 131617Z

TAGS: PFOR, ENRG, KU, IZ, VE
SUBJECT: REPORTED IRAQI AND VENEZUELAN ADVOCACY OF EXTRAORDINARY
OPEC MEETING

1. IRAQI PLANNING MINISTER VISITS KUWAIT TO DISCUSS OIL. KUWAIT
PRESS OF JANUARY 12-13 FILLED WITH ACCOUNTS OF BRIEF VISIT OF
IRAQI PLANMIN, ADNAN AL-HAMDANI, JANUARY 11 (WHO LATER PRESS

REPORTS INDICATE HAS GONE ON TO QATAR AND PERHAPS OTHER OIL-PRODUCING COUNTRIES IN GULF REGION). PLANMIN WAS ACCOMPANIED BY IRAQ MFA UNDERSECRETARY ABDUL HUSSAIN AL-JAMALY. PRESS REPORTS INDICATE THAT THE PURPOSE OF THE PLANMIN'S VISIT WAS DISCUSSION OF OIL PRICING PROBLEM. SEVERAL PAPERS QUOTE HIM AS SAYING "WE CAME TO COORDINATE OUR POSITIONS ON OIL MATTERS" AND HE ACKNOWLEDGED THAT HE DELIVERED A MESSAGE (CONTENTS NOT OFFICIALLY RELEASED) FROM IRAQI PRESIDENT BAKR TO KUWAITI CROWN PRINCE (ACTING AMIR), WHICH THE PRESS SPECULATES ALSO CONCERNED OIL. AL-SIYASAH ASSERTS THAT IT LEARNED THAT IRAQ IS PROPOSING AN EMERGENCY MEETING OF THE OPEC ECONOMIC EXPERTS IN VIENNA IN LATE JANUARY, TO BE FOLLOWED BY A "HIGHER LEVEL" MEETING, AND THAT "MOST RESPONSES FROM OPEC COUNTRIES" FAVOR THE IRAQI PROPOSAL. AL-ANBA ASSERTS THAT THE IRAQI POSITION RESULTS FROM THE "EFFECT OF DISPARATE CRUDE OIL PRICES ON THE DEVELOPMENT OF OPEC MEMBER STATES" WHICH MOTIVATED THE IRAQI CALL FOR AN EXTRAORDINARY OPEC MEETING. ALSO, AL-ANBA QUOTES GOK SOURCES AS SAYING THAT THE KUWAITI CABINET, WHICH IS HOLDING AN EXTRAORDINARY MEETING JANUARY 13, PRIOR TO FONMIN'S DEPARTURE FOR CAIRO JANUARY 14, WILL DISCUSS PRES. BAKR'S MESSAGE, WHICH CONCERNED "COORDINATION OF ATTITUDES IN THE FIELD OF OIL MARKETING" AND STEPS WHICH MIGHT BE TAKEN IN VIEW OF THE "NEW DUALITY" IN OIL PRICES.

2. KUWAITI REACTION TO VENEZUELAN CALL FOR EXTRAORDINARY OPEC MEETING. KUWAIT PRESS CARRIED STATEMENT BY VENEZUELAN OIL MINISTER SAYING EXTRAORDINARY OPEC MEETING MUST BE HELD TO DISCUSS PETROLEUM PRICING AND ACHIEVE NEW AGREEMENT ON SUBJECT. KUWAIT TIMES (JANUARY 13) EDITORIAL WAS SKEPTICAL OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 00240 131617Z

USEFULNESS OF THE VENEZUELAN PROPOSAL, NOTING THAT THE BIG OIL POWERS "IRAN AND SAUDI ACEBIA" DETERMINE OIL PRICES IN LAST ANALYSIS, AND THAT IF THESE TWO DO NOT AGREE THEN ANOTHER OPEC ROUND WOULD BE FUTILE. EDITORIAL ADVOCATED, INSTEAD, MEDIATION BY KUWAIT, INDONESIA, VENEZUELA AND AFRICAN MEMBERS OF OPEC. EDITORIAL CONCLUDED BY MAKING FOLLYING TWO POINTS:

- 1) "IF SOMETHING IS NOT DONE URGENTLY, THE SITUATION IS CERTAINLY GOING TO DETERIORATE AND MAXRESULT IN AN OPEN PRICE AND SALES WAR AMONG OPEC STATES, LEADING EVENTUALLY TO THE ORGANIZATION'S DISINTEGRATION."
- 2) "IF THE TWO COUNTRIES (IRAN AND SAUDI ARABIA) ARE UNWILLING TO RELENT, ANOTHER CONFERENCE MAY ONLY SPEED UP THE DISINTEGRATION OF THE ORGANIZATION, RATHER THUD SOLVE THE PRICE PROBLEMS."

3. COMMENT: THE KUWAIT TIMES EDITORIAL TYPIFIES INCREASING CONCERN AMONG THE OPEC ELEVEN COUNTRIES IN THE PERSIAN GULF AREA OVER THE WORKABILITY OF THE OPEC DUAL PRICE SYSTEM AND OVER THE EVENTUAL IMPACT OF THE SYSTEM ON OPEC UNITY. AS WE HAVE REPORTED, REDUCTIONS OF LIFTINGS OF KUWAITI CRUDE HAVE ALREADY

BROUGHT HOME TO THE GOK THE UNCOMFORTABLE REALITY OF THE DUAL
PRICE SYSTEM, AS THEY HAVE ALSO TO IRAN AND, APPARENTLY, IRAQ.
MAESTRONE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, PRICES, MINISTERIAL MEETINGS, MINISTERIAL VISITS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT00240
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770013-0635
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770156/aaaabwmo.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 011805da-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3608266
Secure: OPEN
Status: NATIVE
Subject: REPORTED IRAQI AND VENEZUELAN ADVOCACY OF EXTRAORDINARY OPEC MEETING
TAGS: PFOR, ENRG, KU, IZ, VE, XF, OPEC, (AL-HAMDANI, ADNAN)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/011805da-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009